

Davis Graham & Stubbs LLP

December 8, 2008

CONFIDENTIAL SETTLEMENT COMMUNICATION SUBMITTED UNDER FRE 408 NOT ADMISSIBLE IN EVIDENCE

Via Email

Cliff Villa USEPA Region X, ORC-158 1200 Sixth Avenue, Suite 900 Seattle, WA 98101

Re:

Draft Proposed Statement of Work --- Wallace Yard and Spur Lines Site

Dear Cliff:

As you and I agreed on Tuesday, November 25, 2008, we are submitting a draft proposed Statement of Work today for the Wallace Yard and Spur Lines Site (the "Site") on behalf of our client, Union Pacific Railroad Company ("Union Pacific"). Counsel for BNSF Railway Company have also authorized this submission on behalf of their client.

We submit a Word version of the proposed Statement of Work in response to the draft included with EPA's October 1, 2008 letter initiating a period of negotiations consistent with CERCLA section 122(e). A "redline" showing the differences between the two versions is also attached.

We look forward to future discussions with you regarding this Site. Please call me or Bob Lawrence if you have any questions. Thank you.

Sincerely,

DAVIS GRAHAM & STUBBS LLP

GLW/amg Enclosures

R. Bylsma cc:

G. Honeyman

R. Lawrence

C. Trueblood

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